

DHANLAXMI COTEX LIMITED



17th ANNUAL REPORT

2002-2003

DHANLAXMI COTEX LIMITED**17TH ANNUAL REPORT**

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DHANLAXMI COTEX LIMITED

17TH ANNUAL REPORT

Board of Directors

Shri Ramautar Jhawar - Chairman & Managing Director

Shri Mahesh Jhawar

Smt. Radhika Sarda

Shri Rajkumar Pandey

Shri Ganesh Singh

Registered & Administrative Office

285, Princess Street,
C.J. House, 2nd Floor,
Mumbai - 400 002.

Works

Sector B-2/15/16;
Parvati Co-op. Industrial Estate,
Post Yadrav, Tal. Shirol
Dist. KOLHAPUR (M.S.)

Bankers

Bank of India
Bank of Baroda
Citi bank Ltd.
HDFC Bank Ltd.
State Bank of Travancore
Syndicate Bank.
The Nedungadi Bank Ltd.

Auditors

M/s. S.G.Kabra & Co.
Chartered Accountants
Wavell House, 1st Floor,
1st Dhobi Talao Lane,
Mumbai - 400 002.

Registrar and Share Transfer Agents

R & D Consultants Ltd.
610, Dalamal Towerl,
211, Nariman Point,
Mumbai - 400 021.

Listing

The Stock Exchange Mumbai, www.reportjunction.com

DHANLAXMI COTEX LIMITED.

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Dhanlaxmi Cotex Limited will be held at the Registered Office of the Company at 285, Princess Street, 2nd Floor, Chaturbhuj Jivandas House, Mumbai – 400 002 on Saturday, the 27th day of September 2003 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Smt Radhika Sarda who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Rajkumar Pandey who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, read with the Articles of Association of the Company and who vacates his office at the ensuing Annual General Meeting and in respect of whom, the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Shri Rajkumar Pandey as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Ganesh Singh who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who vacates his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Shri Ganesh Singh as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT as per the recommendation of Remuneration Committee and pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such other approvals as may be necessary, Shri Ramautar Jhavar be and is hereby re-appointed as a Managing Director of the Company for a period of three years with effect from 1st August, 2003 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Shri Ramautar Jhavar but subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time.”

- a) Salary of Rs. 25,000/- per month
- b) Perquisites:
 - (i) Company's contribution to Provident Fund
 - (ii) Gratuity as per the Rules of the Company
 - (iii) Provision for use of company car for official duties and telephone at residence (including payment of local calls and long distance official calls)

“RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Managing Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Managing Director.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution:

“RESOLVED THAT as per the recommendation of Remuneration Committee and pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such other approvals as may be necessary, Shri Mahesh Jhavar be and is hereby re-appointed as the Whole time Director of the Company for a period of three years with effect from 1st August, 2003 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Shri Mahesh Jhavar but subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time.”

a) Salary of Rs.25,000/- per month

b) Perquisites:

1. Company's contribution to Provident Fund
2. Gratuity as per the Rules of the Company
3. Provision for use of company car for official duties and telephone at residence (including payment of local calls and long distance official calls)

“RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Whole time Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Whole time Director.”

By order of the Board of Directors



**Place: Mumbai
Dated: 9th August, 2003**

**Ramautar Jhavar
Chairman & Managing Director**

**Registered Office:
285, Princess Street, 2nd Floor,
Chaturbhuj Jeevandas House,
Mumbai- 400 002.**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty-eight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Wednesday, 24th September 2003 to Saturday, 27th September 2003 (both days inclusive).
4. Members are requested to notify change of address, if any, to the Company's Registrar & Share Transfer Agent, R & D Consultants Limited, 610, Dalamal Tower, 211, Nariman Point, Mumbai- 400 021.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed herewith.

BRIEF RESUME OF PERSON PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

| | |
|--|-------------------------------|
| Particulars | Smt. Radhika Sarda |
| Age | 23 years |
| Date of Appointment | 30 th October 2001 |
| Qualifications | B.Com |
| Expertise in specific functional areas | Marketing |
| Directorship of other Companies | Nil |
| Chairman/Member of the Committees of the board of the Companies on which she is a Director | Nil |

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item Nos. 4 & 5:-

Shri Rajkumar Pandey and Shri Ganesh Singh were appointed as Additional Directors of the Company with effect from 22nd March 2003 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company. Pursuant to the provisions of the said section, the term of the office of the said Directors expires at the ensuing Annual General Meeting of the Company.

In the mean time, the Company has received notices under Section 257 of the said Act along with the necessary deposits from the shareholders proposing the respective candidature of Shri Rajkumar Pandey and Shri Ganesh Singh for the office of Directors of the Company. The details as required pursuant to clause 49 of the Listing Agreement are as under:

| Particulars | Shri Rajkumar Pandey | Shri Ganesh Singh |
|--|------------------------------|-----------------------------|
| Date of Birth | 8 th October 1969 | 4 th June 1973 |
| Date of Appointment | 22 nd March 2003 | 22 nd March 2003 |
| Qualifications | B.Com | B.Com |
| Expertise in specific functional area | Finance, Taxation | Finance, Taxation |
| Directorship of other Companies | Nil | Nil |
| Chairman/Member of Committee of the Board of other Companies of which he is a Director | Nil | Nil |

The Board recommends the respective appointments of Shri Rajkumar Pandey and Shri Ganesh Singh as Directors of the Company.

The resolutions vide Item Nos. 4 & 5 are therefore proposed for approval of the Members.

Shri Rajkumar Pandey and Shri Ganesh Singh are concerned or interested in the resolution Nos. 4 & 5 respectively for their appointment. No other Director is interested or concerned in the said resolutions.

Item No. 6:-

Shri Ramautar Jhavar is acting as a Director of the Company since its incorporation.

The Board of Directors of the Company at their meeting held on 9th August 2003, re-appointed Shri Ramautar Jhavar as a Managing Director of the Company for a period of three years with effect from 1st August 2003 on terms and conditions as stated in the resolution.

The appointment of Shri Ramautar Jhavar as the Managing Director of the Company would require the consent of the shareholders of the Company pursuant to Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the said Act") and subject to the limits laid down in Schedule XIII to the said Act.

The said resolution is therefore, recommended for your approval.

Shri Ramautar Jhawar is concerned or interested in the resolution given under Item No.6 of the Notice for his re-appointment as Managing Director. None of Directors except Shri Mahesh Jhawar are interested or concerned in the said resolution.

Item No. 7:-

The Board of Directors of the Company at their meeting held on 9th August 2003, re-appointed Shri Mahesh Jhawar as the Whole time Director of the Company for a period of three years with effect from 1st August 2003 on terms and conditions as stated in the resolution.

The appointment of Shri Mahesh Jhawar as the Whole Time Director of the Company, would require the consent of the shareholders of the Company pursuant to Section 269, 309,311 and other applicable provisions of the Companies Act, 1956 and subject to the limits laid down in Schedule XIII to the said act.

The said resolution is therefore, recommended for your approval.

Shri Mahesh Jhawar is concerned or interested in the resolution given under Item No.7 of the Notice for his re-appointment as Whole Time Director. None of Directors except Shri Ramautar Jhawar are interested or concerned in the above resolution.

By order of the Board of Directors



Place: Mumbai
Dated: 9th August, 2003

Ramautar Jhawar
Chairman & Managing Director

Registered Office:
285, Princess Street, 2nd Floor,
Chaturbhuj Jeevandas House,
Mumbai- 400 002.

DHANLAXMI COTEX LIMITED.**DIRECTORS' REPORT***Dear Members,*

The Directors have pleasure in presenting their Seventeenth Annual Report on the business operations of the Company along with the Statement of Audited Accounts for the year ended 31st March 2003.

FINANCIAL RESULTS:

| Particulars | (Rs. in Lacs) | |
|--|---|---|
| | Year Ended 31 st March 2003 | Year Ended 31 st March 2002 |
| Income from operations | 6544.32 | 7457.16 |
| Profit/ (Loss) before Depreciation & Tax | (71.98) | 21.56 |
| Less: Depreciation | 12.88 | 12.87 |
| Profit/ (Loss) before Tax | (84.86) | 8.69 |
| Less: Provision for Tax | 0.00 | 0.03 |
| Add: Deferred Tax Assets Adjustments | 1.14 | 0.70 |
| Net Profit/ (Loss) after Tax | (83.72) | 9.36 |
| Add: Balance B/F from previous Year | 288.08 | 293.70 |
| Less :- Deferred Tax Liability | 00.00 | 14.98 |
| Balance carried to Balance Sheet | 204.36 | 288.08 |

OPERATIONS:

During the year under review, your Company earned a total Income of Rs. 6544.32 Lacs comprising mainly of Sale of Goods, Sale of Shares, and Interest & Dividend. Against this, the total expenses amounted to Rs. 6629.18 Lacs. This has led to Loss from operations amounting to Rs. 84.86 Lacs as compared to the profit of Rs. 8.69 Lacs before tax during the previous year. After adjusting thereto the deferred tax assets of Rs.1.14 Lacs and the balance forward from last year of Rs. 288.08 Lacs, a balance of Rs. 204.36 Lacs has been carried forward to the Balance Sheet.

Barring unforeseen circumstances, your Directors are optimistic that the Company would be able to report better performance during the current year.

DIVIDEND:

Your Directors regret their inability to declare dividend considering the loss incurred by the Company.